

Response to the Licence Condition Change.

Good Energy specialises in the voluntary green market, providing customers with the option of buying green electricity and are dedicated to the supply and generation of renewable power.

The principle of Fuel Mix disclosure is fundamental to our business and we, by the nature of our products, have been disclosing the source of our power for the past four years. We therefore embrace the principle of obligating all suppliers in the UK to disclose the source of their electricity supply.

As a result of disclosing and auditing this process, we have significant experience in balancing required information and detail in disclosing our products.

Key to this is ensuring that the scheme is kept as simply as possible, and that extra complications that can be expensive to manage and do not provide significant benefit, are not included in the original design just for the sake of being “academically” correct.

For example we believe that trying to estimate distribution losses and grid correction factor in relation to supply may be counter productive, and then necessitate evaluation of the distribution benefits of embedded generators, so adding further complexities. Instead a statement should be issued initially by OFGEM to explain that this hasn’t been included and adding up total generation and total supply will not necessarily be balanced.

We also believe that having standardised conversion rates for CO₂ and average UK mix are very important. A single source must be used if suppliers are going to be consistent in the information they provide to customers and to ensure there is no confusion.

The guidance for best practice must be document that is easily understood by consumers as well as industry. This will mean that rather than just a central watchdog, all customers can become watchdogs in their own right, by giving the correct information to be able to interrogate their supply companies. This will also allow independent commentators such as Friends of the Earth and Greenpeace to have a full understanding of how fuel mix disclosure works and how supply companies should be implementing it.

The guidance should be widely available and should include:

- i) format of the tables and relative size in terms of the documentation that they are published on
- ii) The use of graphics should be outlined to ensure that graphics are not misleading and perhaps a product specific graphic put next to an overall company graphic should be of the same size and format.
- iii) There should be standard tables and graphics that suppliers have to use for comparative purposes with national averages, and if suppliers which to show a comparative with another company this should be based on the audited figures of that company.

- iv) Information on sub-categories should also have some guidelines i.e. biomass: burning of wood coppice is very different from burning of MSW and therefore these should be separate in any sub-category i.e. wind, solar, woody biomass, waste biomass.

Good Energy believes that the key to making fuel mix disclosure work is to keep it relatively simple in the early stages so it is difficult for supply companies to avoid their obligations, and improve the process with time and experience.

Good Energy
23rd August 2004.